

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI

DATE: NOV 30 1977

FROM : *J/pey* ADIC, NEW YORK (60-1767) (P) (#54)

SUBJECT:

Airlines
GRAND JURY INVESTIGATION
OF ~~BRANIFF~~ AIRWAYS, INC. AND
TEXAS INTERNATIONAL AIRLINES, INC.
ANTITRUST
(OO: HO)

SA ReBuairtel to DL, dated 8/29/77, and HOREP of dated 9/21/77.

Enclosed for the Bureau are the original and three copies of an LHM, dated and captioned as above.

Enclosed for Houston are two copies of the above LHM, dated and captioned as above, one original FD-302, and one set of original notes pertaining to interview of

Acting Assistant Attorney General, Antitrust Division, United States Department of Justice, by letter dated 8/24/77, requested the location and interview of a number of individuals concerning a press release by Texas International Airlines, dated 1/28/71. This information will not predicate the enclosed LHM per instructions in above-referenced Bureau airtel, and it is to be treated as administrative in nature.

- 2 - Bureau (Encls. 4)
- 2 - Houston (Encls. 4)
- 1 - New York

BSD:lp
(5)

2 Lhm - ATD (AED) LIAE
1 Lhm - Rm - S. J. J. J.
12/9/77
JHW/RCH



5010-108-02

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

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ENCLOSURE
V-32
REG 12
ST-131
DEC 3 10 55 AM '77
60-7459-18
17 DEC 2 1977

LHM
1,2,3

NOV 30 1977

NY 60-1767

LEADS

NEW YORK

AT NEW YORK, NEW YORK. Will maintain contact with [] to determine whether [] has a copy of Texas International press release in question in his files.

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b7C

2. Will provide follow-up LHM on above.



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

New York, New York

In Reply, Please Refer to
File No.

NOV 30 1977

Grand Jury Investigation
of Braniff Airways, Inc. and
Texas International Airlines, Inc.
Antitrust

Investigation conducted by the Federal Bureau
of Investigation (FBI) disclosed that [redacted]
[redacted] New York, New York, is currently employed
as a [redacted] by Pico Alexander Capital Corporation,
1700 Broadway, New York, New York.

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On November 16, 1977, [redacted] was interviewed by
the FBI, and he provided the following information:

[redacted] advised that [redacted]
of Air Southwest from approximately 1968 through 1971.
[redacted] stated that during 1971, he was aware of an attempt
by Texas International Airlines and Braniff Airways to exclude
Southwest Airlines from operating as an air carrier in Texas.
[redacted] advised that he was made aware of this attempt by newspaper
articles and general conversations with people in the industry.

[redacted] was shown a copy of a January 28, 1971 Texas
International Airlines press release pertaining to a complaint
filed by Texas International Airlines with the Civil Aeronautics
Board (CAB), requesting a CAB investigation into Air Southwest's
proposed operations in Texas. [redacted] advised that he could
not remember whether he had ever been mailed the press release.
[redacted] further advised that he has voluminous records of his
past airline dealings, and that it would take him a few
weeks to go through his files to determine if he had retained
a copy of the press release in question.



60-7459-18
ENCLOSURE

Grand Jury Investigation
of Braniff Airways, Inc. and
Texas International Airlines, Inc.

[] stated that he had been a [] to a number of airlines since the mid-1960s, and that he has testified before the CAB on a number of occasions as an expert witness. [] further stated that he has never been [] to Braniff Airways or Texas International Airlines, and that he never would as he did not like their business tactics.

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[] advised that he had been sent press releases issued by Texas International Airlines and other airlines during 1967 through 1972. [] stated that he believed he was sent press releases because of his financial consulting activities.

[] advised that during this time period, he had some discussions with ^{Mo.} ~~MET~~, a Minneapolis based holding company, which he believed controlled Texas International Airways at that time. These discussions had nothing to do with Texas International Airlines or Braniff Airways.

[] stated that he believes the purpose in mailing out the press release to directors, officers and shareholders of Air Southwest was to dissuade financial backers from backing Air Southwest. [] advised that this would make sense because at that time Air Southwest was a closed corporation.

[] stated that he believed that the focus of the Grand Jury investigation in Texas was in the wrong direction. [] further stated that he was aware of attempts by Braniff Airways and Texas International Airlines to dissuade financial backers of Air Southwest, such as All State in

Grand Jury Investigation
of Braniff Airways, Inc. and
Texas International Airlines, Inc.

Chicago. [] also stated that besides himself, a []
[] a major stockholder in Air Southwest at the time,
and Herbert Kelleher, counsel to Air Southwest, presently
practicing law in San Antonio, Texas, were knowledgeable
of attempts on the part of Braniff Airways and Texas
International Airlines to interfere with financial backing
of Air Southwest.

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